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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-878]

Glycine from Japan: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that glycine from Japan is being, or is likely to be, sold in the United States at less than fair value (LTFV) during the period of investigation (POI) January 1, 2017, through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Madeline Heeren or John McGowan, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-9179 or (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 31, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* of sales at LTFV of glycine from Japan.¹ A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the

¹ See *Glycine from Japan: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 FR 54718 (October 31, 2018) (*Preliminary Determination*) and accompanying memorandum, “Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Glycine from Japan” (PDM).

issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.²

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.³ If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. Accordingly, the revised deadline for the final determination of this investigation is now April 24, 2019.

Period of Investigation

The POI is January 1, 2017, through December 31, 2017.

Scope of the Investigation

The product covered by this investigation is glycine from Japan. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

We invited parties to comment on Commerce's Preliminary Scope Decision Memorandum.⁴ Commerce has reviewed the briefs submitted by interested parties, considered the arguments therein, and has made no changes to the scope of the investigation. For further discussion, *see* Commerce's Scope Comments Final Decision Memorandum.⁵

² See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Glycine from Japan," dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum).

³ See Memorandum, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁴ See Memorandum, "Glycine from India, Japan, the People's Republic of China and Thailand: Scope Comments Decision Memorandum for the Preliminary Determinations," dated August 27, 2018 (Preliminary Scope Decision Memorandum).

⁵ See Memorandum, "Glycine from India, Japan, the People's Republic of China and Thailand: Scope Comments Decision Memorandum for the Final Determinations," dated April 24, 2019.

Analysis of Comments Received

All issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by Commerce in the Issues and Decision Memorandum is attached at Appendix II. The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, Room B-8024 of Commerce's main building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and electronic version are identical in content.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), Commerce verified the sales and cost data reported by Yuki Gosei Kogyo Co., Ltd. (Yuki Gosei), as well as affiliations, corporate structure, and U.S. sales reported by Nagase & Co., Ltd. (Nagase) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the respondents.⁶

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for Yuki Gosei since the *Preliminary*

⁶ See Memorandum, "Verification of the Sales Response of Yuki Gosei Kogyo, Ltd. in the Antidumping Investigation of Glycine from Japan," dated February 5, 2019 (Yuki Gosei Sales Verification Report); *see also* Memorandum, and "Verification of the Cost Response of Yuki Gosei Kogyo Co., Ltd. in the Antidumping Duty Investigation of Glycine from Japan," dated December 18, 2018 (Yuki Gosei Cost Verification Report); Memorandum, "Verification of the Questionnaire Responses of Nagase & Co., Ltd. in the Less-Than-Fair-Value Investigation of Glycine from Japan," dated February 5, 2019 (Nagase Verification Report).

Determination. For a discussion of these changes, *see* the “Margin Calculations” section of the Issues and Decision Memorandum.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters not individually investigated shall be equal to the weighted average of the estimated weighted-average dumping margins established for individually investigated exporters and producers, excluding any margins that are zero or *de minimis* or any margins determined entirely under section 776 of the Act. In this investigation, Commerce assigned a rate based entirely on adverse facts available to Showa Denko K. K. (Showa Denko). We did not calculate a company-specific rate for Nagase.⁷ The cash deposit rate requirements for Nagase will be determined consistent with the “Continuation of Suspension of Liquidation” section of this notice. Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available is the rate calculated for Yuki Gosei. Consequently, the rate calculated for Yuki Gosei is also assigned as the rate for all other producers and exporters.

Final Determination

The weighted-average dumping margins are as follows:

Exporter/Producer	Weighted-Average Margins (percent)
Yuki Gosei Kogyo	53.66
Showa Denko K.K.	86.22
All Others	53.66

⁷ See *Preliminary Determination*, and accompanying PDM at 4-5, and 13-14.

Disclosure

We will disclose the calculations performed in this final determination within five days of any public announcement of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of glycine, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after October 31, 2018, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), we will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin as follows: (1) the cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin. These suspension of liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States

is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of glycine from Japan no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated, and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce intends to issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: April 24, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is glycine at any purity level or grade. This includes glycine of all purity levels, which covers all forms of crude or technical glycine including, but not limited to, sodium glycinate, glycine slurry and any other forms of amino acetic acid or glycine. Subject merchandise also includes glycine and precursors of dried crystalline glycine that are processed in a third country, including, but not limited to, refining or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope glycine or precursors of dried crystalline glycine. Glycine has the Chemical Abstracts Service (CAS) registry number of 56-40-6. Glycine and glycine slurry are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2922.49.43.00. Sodium glycinate is classified in the HTSUS under 2922.49.80.00. While the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Period of the Investigation
- IV. Scope of the Investigation
- V. Changes Since the Preliminary Determination
- VI. Discussion of the Issues

Comment 1: Adjustment of General and Administrative Expense Ratio for Research and Development Expenses

Comment 2: Adjustment of Indirect Selling Expense in Calculating the Financial Expense Ratio for Self-Produced Sales

Comment 3: Inclusion of Commission Fees in Financial Expense Ratio for Self-Produced Sales

Comment 4: Adjustment of Cost Data to Account for Returns

Comment 5: Adjustment of Warehouse Expenses

Comment 6: Incorrect Invoice Dates

Comment 7: Treatment of Nagase for the Final Determination

VII. Recommendation

[FR Doc. 2019-08829 Filed: 4/30/2019 8:45 am; Publication Date: 5/1/2019]